

CC-B: SUPPLEMENTAL CAPITAL CONSTRUCTION REQUEST FY08-09

Department Name: Higher Education
Division Name: Auraria Higher Education Center
Project Name: Science Building Addition and Renovation
Project Phase:
Risk Management I.D. No.

Project Contact: Dean Wolf
Contact Telephone: 303-556-3291
Contact e-mail: wolfd@ahec.edu
Submission Date: 6/2/08
State Controller Project No. P-0737

Executive Director Approval:
OSPB Approval:

[Signature]
[Signature]
Date: 6/5/08
Date: 6/8/08

1. Criteria.

(a) Check One

- ☐ Emergency
- ☐ New Data
- ☐ Technical
- ☐ Unforeseen Contingency

(b) Describe the criteria: This is an emergency supplemental request.

2. Long Bill Appropriation Tables

Appropriation from Long Bill # HB08-1375 ,page # 129					
Line Item(s)	Total	CCFE	CF	CFE	FF
Original Long Bill Items					
Requested Revision of Long Bill Appropriation					
Line Item(s)	Total	CCFE	CF	CFE	FF
New Long Bill Items	13,443,873	13,443,873			

3. Justify the change from approved budget request and/or FPP:

The Auraria Higher Education Center (AHEC) is currently in the middle of constructing a \$121,163,682 Science Building Addition/Renovation project. State funding has been approved in the amount of \$85,846,705. \$2,429,100 was appropriated in FY 2006-07 and another \$29,887,876 was appropriated in FY 2007-08. The balance of \$63,619,180 is to be funded thru State issued COP's per SB 233. However due to the time required to issue COP's there will be a timing gap in funding requirements of \$13,443,873 and temporary financing is requested by AHEC.

The Table below reflects the major activities and their individual costs between July, 2008 to October 1, 2008.

Construction Systems		
	Structure	\$2,940,178
	Enclosure	\$1,425,245
	Interior	\$557,407
	Conveying System	\$19,218
	Mechanical	\$5,856,377
	Electrical	\$1,736,416
Construction Total		\$12,534,841
Design Services		\$484,670
Other Professional (PM, Materials Testing, Move Manager, Hazmat Testing, Commissioning, Code Review and Inspection, etc.)		\$362,362
Miscellaneous (Abatement, Art, Moving, etc.)		\$62,000
Total Estimated Construction Cost		\$13,443,873

The agencies have discussed this temporary financing with the Office of State Planning and Budgeting, which has received information from the State Treasurer's Office and the State Controller. This request will use interest in the Capital Construction Fund to temporarily fund the AHEC project until the COPs can be purchased. The General Assembly does not appropriate the interest revenue based on estimates, so the FY 2008-09 interest earnings have not been appropriated. They will occur throughout the year and the "cash" related to those earnings will likely not be available at the time the cash outflow occurs for AHEC. However, the Capital Construction Fund normally has a large positive cash balance because of the delays in spending the three year appropriation. Although the Office of State Planning and Budgeting and the State Controller would not recommend routinely appropriating interest income based on estimates, in this situation where it is fairly certain that the COPs will be actual funding mechanism, the request is to use the anticipated interest earnings for the bridge financing. If the COPs don't materialize, then the CDC and the JBC have to be ready to consider \$13 million of the FY 2008-09 interest earning (that would normally be subject to appropriation) to be already spent. Although the funds are not currently available, they will become available within the fiscal year for which the 1331 letter will be applicable (i.e., FY 2008-09). The State Controller believes that this should not be a problem since the cash on hand is adequate and the legal budgetary compliance for the year is based balances at year end. Once the COPs are secured, another supplemental will be submitted to correct the action.

4. Why is it necessary to have the appropriation prior to the Long Bill?

Costly construction delays in the amount of \$500,000 a month will incur and a delay in completing the building will result in program interruptions to the Metropolitan State College of Denver, the University of Colorado Denver, and the Community College of Denver if bridge funding is not provided thru this supplemental.

5. Does this request require revision of a prior appropriation? (yes) (no). Explain.
No. There was not an appropriation for FY 2008-09.

6. Attach a copy of a complete Form CC-C of the *original* request.

7. Attach a new completed Form CC-C (Element #1 only if there was a prior appropriation) to reflect this supplemental request.

8. Supplemental Requests Per SB 98-1331

a) Describe the urgency of the request – Construction will be halted if funding is not received in time to cover current obligations.

b) List funds to be restricted:

Long Bill No.	Appropriation	Expenditures	Amount to be restricted



STATE OF COLORADO

DEPARTMENT OF HIGHER EDUCATION
Colorado Commission on Higher Education

Bill Ritter, Jr.
Governor

David E. Skaggs
Executive Director

James T. Polsfut, Chair
Larry B. Beckner
Jill L. Brake
Patricia L. Pacey
Michael Plachy

Richard L. Ramirez
Edward A. Robinson
Greg C. Stevinson
James M. Stewart

June 2, 2008

Lisa Esgar, Deputy Director
Office of State Planning and Budgeting
State Capitol Building
Denver, CO 80203

Dear Lisa:

The Department of Higher Education has received an emergency supplemental request for an additional \$13,443,873 in state capital construction funds from the Auraria Higher Education Center (AHEC) to serve as temporary financing for the Science Building Addition/Renovation Project. The project is being submitted as an emergency supplemental request per SB98-1331.

It is understood that the Office of State Planning and Budgeting with information from the State Treasurer's Office and the State Controller have identified interest available in the Capital Construction Fund as a funding source that may be appropriated to the project in a time frame that will allow construction to continue until identified Certificates of Participation can be issued.

As designee, I am approving this emergency supplemental request for \$13,443,873 on behalf of the Colorado Commission on Higher Education due to the urgency of providing funding to this project and to avoid additional construction costs and delays.

Sincerely,

Ryan Stubbs
Capital Construction Coordinator
Department of Higher Education